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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

<b>Proceeding</b>	91166074
<b>Party</b>	Plaintiff Bigfoot 4x4, Inc. Bigfoot 4x4, Inc. 6311 North Lindbergh Hazelwood, MO 63042
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<b>Date</b>	10/13/2005
<b>Attachments</b>	Opposer's Response to Summary Judgment.pdf ( 11 pages ) Exhibit A - Opposer's Response to Applicant's Motion to Dismiss or Summary Judgment.pdf ( 10 pages )

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

BIGFOOT 4X4, INCORPORATED,	)	
	)	
Opposer,	)	
	)	
v.	)	
	)	Opposition No. 91166074
BIG O TIRES, INC.,	)	
	)	
Applicant.	)	

**OPPOSER’S RESPONSE TO APPLICANT’S MOTION TO DISMISS OR IN THE  
ALTERNATIVE SUMMARY JUDGMENT**

In its motion, Big O Tires, Inc. (“Big O”) seeks dismissal for failure to state a claim or, in the alternative for summary judgment, in the present opposition proceeding. Its basis for dismissal or summary judgment is that Opposer, Bigfoot 4x4, Inc. (“Bigfoot”), previously entered into a settlement agreement to settle federal district court litigation which gave Big O the right to sell “vehicle replacement parts.” Big O further contends that because “vehicle batteries”<sup>1</sup> can be sold as vehicle replacement parts, that Bigfoot has no standing to challenge the present application.

However, Big O’s logic is flawed and overlooks the details of the settlement agreement. While “vehicle batteries” may be partially within the definition of “vehicle replacement parts,” it is absolutely clear that vehicle batteries may be sold as high performance racing parts or original equipment manufacturer parts, which are not vehicle replacement parts. Therefore, because Big O’s description of goods is broader than the goods involved in the parties’ settlement agreement,

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<sup>1</sup> Big O contemporaneously filed a motion to amend its recited goods from “batteries” to “vehicle batteries”. While this motion has not yet been granted or denied, Bigfoot will make its argument with respect to the narrower goods recitation. Bigfoot’s arguments apply with equal force to the broader recitation of “batteries”.

Bigfoot has standing to oppose Big O's application to the extent the goods fall *outside* of the terms of the settlement agreement.

Moreover, to the extent "vehicle batteries" falls partially *within* "vehicle replacement parts," Big O does not have the exclusive right to "vehicle replacement parts" pursuant to paragraph 2 under "Other Matters" of the settlement agreement, which provides that Bigfoot may continue to sell all parts that it previously sold at its existing locations plus ten future locations. Because Bigfoot previously sold replacement vehicle parts, Big O does not have the exclusive right to sell replacement vehicle parts under the Bigfoot mark in the U.S. and Bigfoot has standing to challenge the application as attempting to appropriate Bigfoot's rights in the mark.

## **I. BACKGROUND**

Bigfoot was started in the mid-1970s when Bob Chandler, then a St. Louis, Missouri construction contractor, owned a Ford F-250 4x4 pickup truck. Chandler used his truck on the job and for off-road family fun on the weekends. Because he found ways to break even the toughest of trucks, Bob discovered that there was no place in the Midwest to get 4x4 parts and service. Recognizing a potential market, Bob and his wife Marilyn started Midwest Four Wheel Drive & Performance Center, later renamed Bigfoot 4x4.

Bob used his pickup truck as promotional tool for the new business. He tried out new parts on the truck, and kept making it bigger and better. Soon the truck itself became an attraction. In 1979, the truck performed in its first paid event. In 1981, Bob tried something that forever changed the monster truck concept and fueled an explosion of fan interest and led to a legion of imitators. He decided, just for fun, to see if he could drive BIGFOOT over a couple of junk cars.

A few months later, he duplicated the stunt in a stadium show, and the rest is history. In 1983, BIGFOOT began a sponsorship association with Ford Motor Company. In that time, the

BIGFOOT fleet has grown to 16 monster machines. BIGFOOT branded monster trucks have appeared in movies, television shows, and have held four Guinness Book World Records for World's tallest pickup (15'6"), monster truck long jump (202'), top speed (69.3 mph), jump height (24'). The BIGFOOT name has also been the subject of hundreds of sponsorships and license agreements for toys, video games and other products.

From its beginnings as an off-road vehicle to car crushing exhibitions to monster truck racing, the BIGFOOT mark has been the most popular brand in monster trucks and is widely known and credited as creating the entire concept of monster trucks. It is the fame of the BIGFOOT monster truck that drives sales of monster truck parts from two retail locations in St. Louis, Missouri and Potosi, Missouri.

Further Bigfoot has registrations for BIGFOOT for t-shirts, jerseys, jackets, caps, entertainment services, toy vehicles, photographs, posters, calendars, iron-on transfers, catalogs, and mail order services that it has been using for decades.

Big O is an automobile tire and automobile repair retailer. Its website states that Big O operates and/or franchises automobile tire and repair locations under its Big O mark (primarily in the western United States) and other marks in other parts of the country. Big O has registrations for BIG FOOT for vehicle tires and a registration for BIGFOOT COUNTRY for tire and vehicle maintenance and repair services.

In 2001, Big O initiated suit against Bigfoot in the U.S. District Court for the District of Colorado for infringement of the BIG FOOT mark, which was concluded in 2004. The result was a settlement agreement which is attached to Big O's dismissal/summary judgment brief. In short, the agreement provided for exclusive use of the BIG FOOT mark for some goods and services for Big O and exclusive use for the BIGFOOT mark for other goods and services for Bigfoot. However, exceptions to some areas of exclusive use were included in the agreement.

Particularly germane to the present motion is paragraph 2 of the settlement agreement under the section that is headed “Other Matters”. That section recites:

2. Big O will not challenge the existence and operation of the existing BIG FOOT retail store (such single store can continue to sell all of those types of items previously sold in the store), or up to ten (10) additional locations (not limited to St. Louis) so long as it is not within a Big O franchisee's exclusive territory. In the event that the alternate site(s) precedes development of a franchise territory by Big O than [*sic*] the Bigfoot 4x4 retail location will not be required to relocate by Big O at such time as a franchised location is developed. Big O agrees that it will not develop a Big O franchise within 2 miles of one of these ten (10) locations provided notice of the location is made to Big O on a timely basis.

Bigfoot 4x4 may open as many novelty and accessory stores as it determines. Such stores will not market the items listed in paragraph 2<sup>2</sup> unless pursuant to a Big O franchise agreement.

Therefore, Big O does not have the right to exclusively use the mark BIG FOOT for its goods and services wherever it wishes, as it may not operate within two miles of an existing Bigfoot location and that Bigfoot may expand into any area not covered by a Big O franchisee's exclusive territory and Big O must stay two miles area from such future location. As a result, Big O does not have the exclusive right to use BIG FOOT for vehicle replacement parts throughout the U.S., but rather has agreed not to use the BIG FOOT mark in defined existing areas and ten more undefined areas in which Bigfoot may use the mark in the future.

## **II. THE LAW OF DISMISSAL AND SUMMARY JUDGMENT**

The Board has adopted the Federal Rules for *inter partes* proceedings. 37 C.F.R. §2.116(a) (2005).

A motion for dismissal under Fed. R. Civ. P. 12(b)(6) is dismissal for failure to state a claim upon which relief can be granted based only upon the pleadings. When dismissal is on the pleadings, the plaintiff's well-pleaded factual allegations are accepted as true and all reasonable

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<sup>2</sup> The items that Bigfoot is allowed to sell at its up to ten additional locations include “vehicle replacement parts” from paragraph 2.

factual inferences are drawn in its favor. See *Albright v. Oliver*, 510 U.S. 266, 268 (1994). If matters outside the pleadings are considered, the motion for dismissal shall be treated as a motion for summary judgment. Fed. R. Civ. P. 12(b).

Summary judgment is only appropriate “if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law.” Fed. R. Civ. P. 56(c). The movant carries the initial burden of proving that there are no genuine issues of material fact. *Celotex Corp. v. Catrett*, 477 U.S. 317, 322-24 (1986). If the movant shows a *prima facie* case for summary judgment, then the burden of production shifts to the non-movant to present specific evidence indicating there is a genuine issue for trial. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 250 (1986). “When ruling on a motion for summary judgment, all of the non-movant’s evidence is to be credited, and all justifiable inferences are to be drawn in the non-movant’s favor.” *Caterpillar Inc. v. Deere & Co.*, 224 F.3d 1374, 1379 (Fed. Cir. 2000); see also *Tackitt v. Prudential Ins. Co. of Am.*, 758 F.2d 1572, 1574 (11th Cir. 1985) (“We resolve all reasonable doubts about the facts in favor of the non-movant.”).

## **II. THE LAW OF STANDING**

The Lanham Act allows “[a]ny person who believes that he would be damaged by the registration of a mark” to file an opposition. See 15 U.S.C. §1063. The Lanham Act does not provide any more criteria for an opposition than this statement. Since its passage, administrative and judicial interpretation has provided more guidance. Particularly, administrative and judicial tribunals have interpreted the act to generally foreclose challenges by anyone who does not have a direct commercial interest in the mark in question. See *Lipton Industries, Inc. v. Ralston*

*Purina Co.*, 670 F.2d 1024 (CCPA 1982). The clear trend since passage of the Lanham Act has been to be progressively less restrictive in determining who has standing to oppose. *Id.*

The Federal Circuit has outlined requirements for standing in *inter partes* cases. See *Ritchie v. Simpson*, 170 F.3d 1092 (Fed. Cir. 1999). The first requirement is that the opposer has a real interest in the proceeding, and the second requirement is that the opposer has a reasonable basis for the belief of damage. *Id.* The issue is not whether the opposer owns the mark or is entitled to register it, but merely whether it is likely that he would somehow be damaged if a registration were granted to the applicant. *Wilson v. Delaunay*, 245 F.2d 877 (CCPA 1957).

“All that is necessary ... is that the ‘person’ bringing the opposition establish conditions and circumstances from which damage to it from the opposed mark can be assumed.” See *FBI v. Societe: “M. Bril & Co.”*, 172 U.S.P.Q. 310 (TTAB 1971). To establish standing to oppose, the opposer need only be something more than a gratuitous interloper or a vicarious avenger of someone else’s rights. *Selva & Sons, Inc. v. Nina Footwear, Inc.*, 705 F.2d 1316 (Fed. Cir. 1983) (it is only the basis for a reasonable belief in damage that is examined).

### **III. BIGFOOT HAS A REAL INTEREST IN THE PROCEEDING**

To satisfy the first requirement for standing, it cannot be seriously challenged that Opposer has a real interest in the proceeding. Bigfoot has been using the BIGFOOT mark for at least t-shirts, jerseys, jackets, caps, entertainment services in the nature of monster truck exhibitions, toy vehicles, photographs, posters, calendars, iron-on transfers, catalogs, and mail order services that it has been using for decades. Most of Opposer’s business is centered around the BIGFOOT mark. Opposer has spent millions of dollars in the operation and promotion of it BIGFOOT branded business. Therefore, that Opposer has a real interest in the proceeding is beyond question.

#### **IV. BIGFOOT HAS A REASONABLE BELIEF OF DAMAGE FROM BIG O's REGISTRATION OF THE PRESENT MARK**

##### **A. Big O's Goods In Its Application Is Broader Than The Goods In the Settlement Agreement**

Big O initially listed "batteries" as its recitation of goods for the present BIG FOOT mark. It has since moved the Board to amend the goods to "vehicle batteries". Using either recitation of goods, "batteries" or "vehicle batteries", the recitation of goods in the application is broader than the goods for which Big O claims to have exclusive rights under the settlement agreement.

In *Mayer/Berkshire Corp. v. Berkshire Fashions, Inc.*, the parties each used the mark BERKSHIRE in their tradenames and as a trademark in association with various items of clothing and accessories. In that case, the Opposer, Mayer/Berkshire, had used the mark as a tradename since 1906 and as a trademark since 1925 in association with various clothing goods and had eight registrations in connection with hosiery and apparel items in Class 25. Berkshire Fashions stated that it had used the mark since 1945 as a tradename and trademark for various goods, and in 1981 applied for registration for BERKSHIRE as applied to goods in Classes 18 and 25. The Examining Attorney rejected the application as to the Class 25 goods over Mayer/Berkshire's prior registrations. Berkshire Fashions then deleted the Class 25 goods and the application went to publication. Mayer/Berkshire filed an opposition in July 1984. In 1982, Mayer/Berkshire filed suit against Berkshire fashions in federal district court alleging trademark infringement and unfair competition. Berkshire Fashions prevailed in the litigation, and the opposition was dismissed thereby allowing the Class 18 application to register.

Shortly after registration, Berkshire Fashions again filed another application seeking to register the apparel items in Class 25 that it had removed from the earlier application. The Examining Attorney rejected the application on the basis of the Mayer/Berkshire registrations.



Upon submitting documents from the district court litigation, the Examining Attorney acquiesced and allowed the application, and Mayer/Berkshire subsequently filed a Notice of Opposition.

The Board held that the under the principles of *res judicata* and collateral estoppel, the issue of confusion could not be relitigated. Mayer/Berkshire appealed to the Federal Circuit, which overturned the Board's decision holding that: "Registrability is not an issue in infringement litigation, and although the likelihood of confusion analysis presents a "superficial similarity," differences in transactional facts will generally avoid preclusion" in an opposition proceeding based upon an earlier litigation. *Mayer/Berkshire Corp. v. Berkshire Fashions, Inc.*, \_\_\_ F.3d \_\_\_ (Fed Cir. September 22, 2005)(Exhibit A at p.6).

Moreover, the Federal Circuit further noted that:

The parties dispute the extent to which [Applicant's] application embraces a broader statement of goods than those before the district court; **this aspect alone rendered summary judgment inapplicable**, for the Board did not consider the separate goods in the Class 25 application but stated that all "garments" were included in the district court judgment. Precedent and practice require a more detailed analysis.

*Id.* (Exhibit A at p.7). Therefore, not only are the issues different in a district court litigation (issues of usage versus listing of goods/services), but the Board erred where it dismissed an opposition when the description of goods in the application are different from the goods at issue in the prior district court litigation.

Just as in the cited case, in the present case Big O is attempting to register the mark BIG FOOT for a class of goods that is broader than the settlement agreement between the parties. Big O's proposed amended good is "vehicle batteries". However, vehicle batteries may be sold as something other than "vehicle replacement parts" and is therefore a term not encompassed within "vehicle replacement parts."

As only an example, vehicle batteries may be sold as new parts for new racing cars and new racing trucks, and not as vehicle replacement parts. As another example, vehicle batteries may also be sold to original equipment manufacturers for use in new street vehicles, and not as vehicle replacement parts. Therefore, “vehicle batteries” undeniably covers goods not falling within “vehicle replacement parts”, and this difference alone will avoid dismissal or summary judgment, just as it did in *Mayer/Berkshire*.

**B. Big O’s Application Attempts to Limit Bigfoot’s Rights in BIGFOOT That Were Agreed to in the Settlement Agreement**

While Big O has pointed to the first paragraph 2 of the settlement agreement which purports to grant exclusive rights to Big O for a list of goods including “vehicle replacement parts.” Paragraph 2 of the agreement under the section entitled “Other Matters,” recited above, gives Bigfoot rights to sell all items that Big O supposedly has “exclusive rights” at all existing Bigfoot retail store locations and up to ten more locations nationwide. Moreover, Big O agreed to not develop a Big O franchise within 2 miles of any such present or future location owned by Bigfoot. Bigfoot may place a Bigfoot retail location anywhere that is not within the existing territory of a Big O franchisee.

Bigfoot has previously sold vehicle replacement parts from its retail locations. Therefore, Big O’s rights are not exclusive in vehicle replacement parts and are subject to the rights of Bigfoot in also selling vehicle replacement parts from its then-existing and ten additional retail locations. Big O’s attempt to register BIG FOOT for vehicle batteries is an attempt to curtail the rights Big O agreed to in the settlement agreement, all to Bigfoot’s damage.

In summary, Big O cannot prevail because it does not have exclusive rights to BIG FOOT for “vehicle replacement parts” pursuant to the second paragraph 2 of the Settlement

Agreement because Bigfoot's rights under that agreement would be curtailed by such registration.

## V. CONCLUSION

To the extent "batteries" or "vehicle batteries" is *broad*er than the goods listed in paragraph 2 of the parties' settlement agreement Big O cannot prevail on summary judgment because Bigfoot is not precluded based upon collateral estoppel or *res judicata* on such broader recitation. This basis alone is enough to deny summary judgment.

As a further basis to deny summary judgment, reading the entire settlement agreement and not merely the single paragraph selected by Big O, the paragraph 2 under "Other Matters" of the settlement agreement provides that Bigfoot shall have the right to sell goods it previously sold (which includes "vehicle replacement parts") in its existing retail locations plus ten additional locations. Therefore, Big O does not have exclusive nationwide rights to BIG FOOT for vehicle replacement parts, and the registration of BIG FOOT for vehicle batteries by Big O is an attempt to curtail Bigfoot's rights in the BIGFOOT mark.

BIGFOOT 4X4, INCORPORATED

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**Certificate of Service**

I hereby certify that on this 13th day of October, 2005, a copy of the foregoing Opposer's Response To Applicant's Motion To Dismiss Or In The Alternative Summary Judgment is being deposited with the United States Postal Service with sufficient postage as first-class mail in an envelope addressed to:

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# United States Court of Appeals for the Federal Circuit

04-1254  
(Opposition No. 91/080,606)

MAYER/BERKSHIRE CORP.,

Appellant,

v.

BERKSHIRE FASHIONS, INC.,

Appellee.

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DECIDED: September 22, 2005

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Before NEWMAN, Circuit Judge, FRIEDMAN, Senior Circuit Judge, and BRYSON, Circuit Judge.

NEWMAN, Circuit Judge.

Mayer/Berkshire Corp. appeals the decision of the United States Patent and Trademark Office, Trademark Trial and Appeal Board,<sup>1</sup> dismissing its opposition to the registration by Berkshire Fashions, Inc. of the mark BERKSHIRE for various categories of

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<sup>1</sup> Mayer/Berkshire Corp. v. Berkshire Fashions, Inc., Opposition No. 80,606 (TTAB Dec. 17, 2003).

clothing. The Board held that the opposition is barred by res judicata and collateral estoppel arising from prior district court infringement litigation. We conclude that the Board erred in its application of these doctrines. The dismissal is vacated and the case is remanded to the PTO for further proceedings.

#### BACKGROUND

Both parties use the word BERKSHIRE in their trade names and as a trademark in association with various items of clothing and accessories. Mayer/Berkshire states that it and its predecessor companies have used BERKSHIRE since 1906 in their trade name and since 1925 as a trademark in association with apparel including socks, hosiery, underwear, gloves, lingerie, nightgowns, pajamas, t-shirts, leotards, and down vests, and in their retail outlet store with a full range of men's, women's, and children's clothing. As of 1990 Mayer/Berkshire had eight registrations for BERKSHIRE in Class 25 for use in connection with hosiery and apparel items.

Berkshire Fashions states that it has used BERKSHIRE in its trade name since 1945, and as a trademark for various goods. In September 1981 Berkshire Fashions filed an application to register the mark BERKSHIRE as applied to articles in Classes 18 and 25. The Class 18 goods included umbrellas, tote bags, and umbrella and scarf sets sold as a unit. The Class 25 goods included sixteen kinds of apparel, viz. raincoats, sweaters, pocket squares, scarves, mantillas, belts, gloves, hats, earmuffs, slippers, tops, blouses, shirts, pants, vests, and uniforms. The examining attorney refused registration in Class 25 because of Mayer/Berkshire's prior registrations of BERKSHIRE in Class 25 for various items of women's and children's garments. Berkshire Fashions then deleted the Class 25 goods from the application. The application with the remaining Class 18 goods was passed

to publication, and Mayer/Berkshire filed an opposition in July 1984 under Section 13 of the Lanham Trademark Act, 15 U.S.C. §1063.

In 1982 Mayer/Berkshire had filed suit against Berkshire Fashions in the United States District Court for the District of New Jersey, alleging trademark infringement and unfair competition. The Board suspended the opposition proceeding in Class 18 until the district court action was concluded. In April 1985 the district court case went to the jury, with the following question:

1. Have defendants infringed plaintiff's trademark, i.e., is there a likelihood of confusion resulting from the use by defendants of the trademark and trade name "Berkshire"?  
If No, answer no more questions; your deliberations are over.

The jury answered "No," and the district court entered judgment for Berkshire Fashions. The Board then dismissed Mayer/Berkshire's opposition, and the registration in Class 18 issued to Berkshire Fashions for use of the mark BERKSHIRE with umbrellas, tote bags, and umbrella and scarf sets. That registration is not here at issue.

In October 1986 Berkshire Fashions filed the application that is the subject of this appeal, seeking registration for the apparel items in Class 25 that it had removed from the earlier application. The trademark examiner rejected the application based on six of Mayer/Berkshire's prior registrations in Class 25. Berkshire Fashions appealed to the Board, who remanded to the examiner to consider the New Jersey litigation. Berkshire Fashions submitted a list of trial exhibits in the New Jersey action that included most but not all of the kinds of items in Berkshire Fashions Class 25 application. Thereafter, after deleting belts and slippers from the list of goods in the application, the examiner passed the Class 25 application to publication. Mayer/Berkshire duly filed a notice of opposition,

alleging likelihood of confusion between the BERKSHIRE mark applied to the Berkshire Fashions items in Class 25 and the items subject to Mayer/Berkshire's registered BERKSHIRE marks.

The Board granted summary judgment in favor of Berkshire Fashions, ruling that the issue of likelihood of confusion had been decided in the New Jersey civil action and could not be re-litigated, applying *res judicata* and collateral estoppel. The Board held that Mayer/Berkshire was estopped to challenge the registration of BERKSHIRE for the fourteen kinds of goods in Berkshire Fashions' Class 25 application. The TTAB entered final judgment denying the opposition to the Class 25 registration.

#### DISCUSSION

This appeal is from the Board's grant of summary judgment in reliance on *res judicata* and collateral estoppel based on the district court judgment in the infringement litigation. When an administrative agency governed by the Federal Rules grants a motion for summary judgment, the pleadings and record evidence must "show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law." Fed. R. Civ. P. 56(c). The Board has adopted the Federal Rules for inter partes proceedings. 37 C.F.R. §2.116(a) (2005). The Board's summary judgment is reviewed in accordance with the requirements of Federal Rule 56. See Lincoln Logs Ltd. v. Lincoln Pre-cut Log Homes, Inc., 971 F.2d 732, 734 (Fed. Cir. 1992) (court gives *de novo* review to the grant of summary judgment in an opposition proceeding).

Mayer/Berkshire states that the decision of the infringement case in the district court does not control federal trademark registration, on principles of either *res judicata* or collateral estoppel. Mayer/Berkshire states that the decision in the infringement trial was



based on evidence showing that much of Berkshire Fashions' use of the word BERKSHIRE was in its trade name, in usages such as the label "By Berkshire Fashions" or on packages, but not in trademark use; and that this presentation explains the jury verdict that there was not a likelihood of confusion between Berkshire Fashions' and Mayer/Berkshire's identical marks. Thus Mayer/Berkshire argues that the evidence presented to the district court does not warrant the summary judgment in the opposition proceeding. Mayer/Berkshire also states that the Board is required to consider issues of priority of use and the scope of the goods in the Class 25 application, issues that were not before the district court. Mayer/Berkshire urges that preclusion was improperly applied by the Board.

Res judicata, or claim preclusion, protects against re-litigation of a previously adjudicated claim between the same parties or their privies. As discussed in Parklane Hosiery Company, Inc. v. Shore, 439 U.S. 322, 326 n.5 (1979), "Under the doctrine of res judicata, a judgment on the merits in a prior suit bars a second suit involving the same parties or their privies based on the same cause of action." In Jet, Inc. v. Sewage Aeration Systems, 223 F.3d 1360, 1362 (Fed. Cir. 2000) this court on reviewing a cancellation proceeding on appeal from the Board, elaborated that "a second suit will be barred by claim preclusion if: (1) there is identity of parties (or their privies); (2) there has been an earlier final judgment on the merits of a claim; and (3) the second claim is based on the same set of transactional facts as the first."

In the absence of res judicata, the related principle of collateral estoppel or issue preclusion can also bar relitigation of the same issue in a second action. In Parklane, 439 U.S. at 326 n.5, the Court explained that "[u]nder the doctrine of collateral estoppel, on the other hand, the second action is upon a different cause of action and the judgment in the

prior suit precludes re-litigation of issues actually litigated and necessary to the outcome of the first action." In Montana v. United States, 440 U.S. 147, 153-55 (1979) the Court summarized the requirements of collateral estoppel as (1) identity of an issue in a prior proceeding, (2) the identical issue was actually litigated, (3) determination of the issue was necessary to the judgment in the prior proceeding, and (4) the party defending against preclusion had a full and fair opportunity to litigate the issue in the prior proceeding.

In Jet, Inc. the court explained that a trademark infringement action in the district court is not automatically of preclusive effect in a cancellation proceeding in the PTO, for a claim for trademark infringement may not be based on the same transactional facts as a petition to cancel a registered mark, or the facts relevant to infringement may not be sufficiently applicable to trademark registration to warrant preclusion. In a trademark infringement action, the owner of a registered mark sues for relief from the injury caused by the defendant's actual sale, offering for sale, or advertising of goods or services bearing the challenged mark, whereas an opposition to registration is based on the content of the registration application. Although to succeed in an opposition proceeding the opposer must show that "he would be damaged by the registration of a mark upon the principal register, including as a result of dilution under section 43(c) . . . .", 15 U.S.C. §1063, the opposer need not show actual injury, and is benefitted by prior registration and prior use. These different causes of action may involve different sets of transactional facts, different proofs, different burdens, and different public policies. Registrability is not at issue in infringement litigation, and although the likelihood of confusion analysis presents a "superficial similarity," differences in transactional facts will generally avoid preclusion. Jet, Inc., 223 F.3d at 1364-65.

The Board emphasized this rule in American Hygienic Labs., Inc. v. Tiffany & Co., 228 USPQ 855, 857 (TTAB 1986), explaining that in an opposition proceeding "a claim of infringement before the court and a claim of priority and likelihood of confusion before this Board are different claims. The former claim is, in essence, a claim of injury resulting from applicant's use of its mark in commerce; the latter claim, in essence, is a claim that opposer believes it would be damaged by registration of applicant's mark." Again in In re Infinity Broadcasting Corp. of Dallas, 60 USPQ2d 1214, 1218 (TTAB 2001) the Board stated that "in Board proceedings, likelihood of confusion is determined independent of the context of actual usage. In an infringement action, on the other hand, the context of the use of the mark is relevant." See generally J.T. McCarthy, McCarthy on Trademark and Unfair Competition, §32:82 at 32:143 (4th ed. 2004) ("A claim for infringement is not the same as an *inter partes* claim for opposition or cancellation against another's registration of a mark. Thus, an opposer would not necessarily be barred by the rule of claim preclusion when it lost a previous infringement claim in court.")

The issue litigated in the district court action was whether the marketing by Berkshire Fashions of specific products with either the BERKSHIRE mark or the Berkshire Fashions trade name was likely to cause confusion with Mayer/Berkshire's registered BERKSHIRE trademarks. In an opposition proceeding the question of likelihood of confusion requires consideration not only of what the applicant has already marketed or has stated the intention to market, but of all the items for which registration is sought. The parties dispute the extent to which Berkshire Fashions' application embraces a broader statement of goods than those before the district court; this aspect alone rendered summary judgment inapplicable, for the Board did not consider the separate goods in the Class 25 application,

but stated that all "garments" were included in the district court judgment. Precedent and practice require a more detailed analysis.

In the opposition proceeding, Mayer/Berkshire proffered evidence of actual confusion which it states arose from materially changed marketing practices by Berkshire Fashions after the district court's judgment. A change in trademark usage can constitute a change in transactional facts that avoids preclusion based on the earlier non-infringement decision. It is not irrelevant if, as Mayer/Berkshire asserted in opposing the grant of summary judgment, Berkshire Fashions' earlier inconspicuous marking of some goods with labels bearing only the trade name, has evolved into major marketing activity promoting the trademark BERKSHIRE in a manner that has, according to Mayer/Berkshire, caused significant actual confusion. Mayer/Berkshire presented sufficient evidence on this aspect to negate the grant of summary judgment based on preclusion.

Mayer/Berkshire also argues that the issues were not identical because the infringement action was based on Berkshire Fashions' use of the BERKSHIRE mark with the goods in evidence, showing that the trial exhibit list did not include any sweaters, vests, or pants, all of which are included in the Class 25 application. Mayer/Berkshire points out that the registration would not be limited to the specific articles in evidence in the district court. Berkshire Fashions responds that the items were the same in both proceedings. The Board did not resolve the question of what was in evidence at the infringement trial, but held that it sufficed that "garments" were before the district court. However, this term does not correlate with the specificity of the trademark classification, and does not establish preclusion as to the specific items for which registration is sought and opposed.

Mayer/Berkshire also states that Berkshire Fashions has significantly changed its marketing and advertising practices, and recites examples of actual confusion not previously experienced, citing Opryland USA Inc. v. Great American Music Show, Inc., 970 F.2d 847, 853 (Fed. Cir. 1992) for its holding that the Board had improperly granted summary judgment where it had denied the non-moving party "the right, in accordance with Rule 56(f), to obtain evidence on the material facts of public perception and actual confusion." Viewing the proffered evidence in the light most favorable to Mayer/Berkshire, as the Board was required to do, see Olde Tyme Foods Inc. v. Roundy's Inc., 961 F.2d 200, 205 (Fed. Cir. 1992), Mayer/Berkshire presented evidence of changed circumstances in the five-year period after the district court's judgment that may be relevant to the issue of likelihood of confusion in the opposition proceeding, again rendering preclusion improper. See Litton Industries, Inc. v. Litronix, Inc., 577 F.2d 709, 711 (CCPA 1978) ("This court has previously held that *res judicata* and collateral estoppel are not applicable where 'it is apparent that all the questions of fact and law involved [in the second proceeding] were not determined in the previous proceedings.'") (quoting Universal Overall Co. v. Stonecutter Mills Corp., 310 F.2d 952, 956 (CCPA 1962)).

Caution is warranted in the application of preclusion by the PTO, for the purposes of administrative trademark procedures include protecting both the consuming public and the purveyors. Thus the party objecting to a registration may raise grounds not only of commercial injury to itself, but of confusion or deception or mistake to the consumer. The public policy underlying the principles of preclusion, whereby potentially meritorious claims may be barred from judicial scrutiny, has led courts to hold that the circumstances for preclusion "must be certain to every intent." Russell v. Place, 94 U.S. (4 Otto) 606, 610

(1878) (denying preclusion in a patent infringement case, stating that "According to Coke, an estoppel must 'be certain to every intent;' and if upon the face of a record any thing is left to conjecture as to what was necessarily involved and decided, there is no estoppel in it when pleaded, and nothing conclusive in it when offered as evidence.") See Foster v. Halco Mfg. Co., 947 F.2d 469, 480 (Fed. Cir. 1991) (the proponent of claim preclusion bears the burden of showing that the cause of action in the two suits was the same); cf. McNellis v. First Fed. Sav. And Loan Ass'n of Rochester, New York, 364 F.2d 251, 251 (2d Cir. 1966) ("Finally, although the principles of res judicata should not be frugally applied, cf. United States v. Munsingwear, Inc., 340 U.S. 36, 38 (1950), a reasonable doubt as to what was decided in the first action should preclude the drastic remedy of foreclosing a party from litigating an essential issue.")

The question of the likelihood of confusion presented sufficiently different issues and transactional facts to bar the application of preclusion. The summary judgment of the Board is vacated, and the case is remanded for further proceedings.

VACATED AND REMANDED